



September 13, 2019

2920-4800-32640-02

Steve Johnson
Senior Exploitation Engineer
Kelt Exploration Ltd.
300, 311 - 6th Ave SW
Calgary, AB T2P 3H2

Dear Steve Johnson:

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT CANCELLATION
KELT LNG ET AL HZ CACHE 12-36-087-23 (WA#27127)
CACHE CREEK FIELD – HALFWAY FORMATION**

The subject well was completed as a Doig "CC" oil well and produced from September 2011 to April 2012. Production levels became uneconomic and the Doig was suspended. In January 2014, the Halfway was perforated for the purpose of disposal and received approval to dispose in March of 2014 but no disposal volumes were ever reported. The Halfway zone was abandoned in August of 2017 and the well was reentered and completed into the Montney zone for gas production in October 2017. On September 12th, 2019, Kelt Exploration Ltd. indicated having no plans for future disposal and concurred that cancellation of the disposal approval is appropriate.

Pursuant to the *Oil and Gas Activities Act (OGAA)* section 75(2)(b), the Commission may cancel, suspend or amend a designation (iii) if the Commission considers that the designation is spent, or (iv) if the Commission considers that the designation is no longer appropriate, including, without limitation, for reasons of (a) public safety, (b) protection of the environment, or (c) conservation of petroleum and natural gas resources.

The Special Project Approval 14-02-003 for the Cache Creek field, Halfway formation well Kelt LNG et al HZ Cache 12-36-087-23 (WA 27127) is hereby cancelled under section 75(2)(b) of OGAA. In accordance with Section 75(2)(b)(iii), the Commission considers that the designation is spent.

Should you have any questions, please contact Logan Gray at (250) 419-4465 or the undersigned at (250) 419-4430.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ron Stefik', is written over a horizontal line.

Ron Stefik, Eng. L.
Supervisor, Reservoir Engineering
Oil and Gas Commission